

Code: 13 MBA2013

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)**

**MBA III Semester Regular Examinations, December, 2014**

**COST & MANAGEMENT ACCOUNTING**

Time: 3 Hours

Max Marks: 60

Answer any Five Questions  
All questions carry EQUAL marks  
Question No: 8 is compulsory

1. Explain the difference between financial accounting and management accounting.
2. What is activity based costing? Explain its benefits.
3. Explain the purpose and procedure of job costing.
4. The expenses for the production of 5,000 units in a factory are given as follows:

Particulars	Per Unit Rs.
Materials	50
Labor	20
Variable Overheads	15
Fixed Overheads (Rs.50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% Fixed)	6
Distribution expenses (10% Fixed)	5
Total cost of sales per unit	116

You are required to prepare a budget for production of 7,000 units.

5. Define Budgetary Control. Explain steps in budgetary control.
6. "Budgets and standards are similar but they are not the same."
7. Define Marginal costing. Explain its advantages.
8. A manufacture has supplied the following information relating to one of his product.

Particulars	Amount in Rs.
Total variable costs	30,000
Total sales	60,000
Units sold	20,000
Total Fixed Costs	18,000

Calculate:

- a) Contribution per unit
- b) Break-even point
- c) Margin of Safety
- d) Profit
- e) Volume of sales to earn a profit of Rs. 24,000

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